

The same conference reviewed forms for the purpose of enabling factories to furnish information required under terms of the Order in Council in respect of (a) butter-fat consumed monthly, (b) butter supplied for local consumption, and the forms were approved.

The form of application for export licenses contains an undertaking on the part of the applicant to brand the butter-boxes delivered from any factory as "for export," or "for local sale," as the case may be, with brands approved by the Licensing Authority, and the "working arrangement" provides for the supply of such brands by that authority. The duty of obtaining the brands and supplying each factory's requirements has been entrusted to the Director of the Dairy Division, Department of Agriculture.

The operation of the Order in Council from the 14th October, before the forms of application for export licenses could be printed and distributed to factories, necessitated some temporary provision to obviate the inconvenience and delay which would otherwise have inevitably occurred in respect of dairy-produce then in course of shipment. A system of temporary permits was introduced under which the exporters signed an undertaking to be personally responsible for any charges which may become payable under the provision of the Order in Council dated 13th October, 1916. This system served the period which elapsed until the whole scheme came into operation.

The number of applications for licenses received from the 13th October, 1916, to the 18th December, 1916, was 399.

A system of accounts has been devised complying with the requirements of the Treasury, and the audit of the accounts twice monthly by the Controller and Auditor-General has been arranged.

All contributions by dairy factories are being paid to the Public Account either by the individual factories at the nearest branch of the Bank of New Zealand, or by the Licensing Authority on receipt of cheques drawn by the factories concerned. Such amounts are credited by the Treasury to a "Butter-fat Adjustment Deposit Account" in its books.

An account designated the "Butter-fat Adjustment Imprest Account" has been opened at the Bank of New Zealand, to which amounts requisitioned from the Treasury are credited, and which is being operated on by cheques drawn by the Department of Imperial Government Supplies. The accounts devised by the Department show—(a) The amount contributed by each factory; (b) the total amount contributed; (c) the amount paid to Public Account; (d) the amount requisitioned from the Treasury to meet disbursements; (e) the amount distributed to each factory or company supplying the local market; (f) particulars of administration expenses.

A register is devised to ensure the receipt at regular intervals of returns required from factories, and particulars of the monthly consumption of butter-fat on which contributions by factories are based, and of butter supplied for local consumption on which periodical distributions will be made.

A mass of correspondence has been dealt with since the inauguration of the scheme, referring largely to questions of routine.

The receipts from the 1st September, 1916, to the 31st March, 1917, have been £147,974 9s. 10d. The disbursements to factories from the 1st October, 1916, to the 31st March, 1917, have been £39,463 3s. 11d.

The Board of Trade, with the assistance of an advisory committee representing the butter-manufacturers, has in hand the question of determining the maximum compensation payable on butter supplied for local consumption, and a settlement is expected as soon as some necessary data concerning realizations on the London market is available.

ACCOUNTS.

From the inception of the Department the accounting-work has received most careful attention, and a few remarks are made generally illustrative of the position with regard to this.